

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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FACEBOOK, INC., WHATSAPP INC.,  
Petitioner

v.

UNILOC LUXEMBOURG S.A.,  
Patent Owner

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IPR2017-01427  
PATENT 8,995,433

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**PATENT OWNER'S BRIEF REGARDING § 315(e)(1)**

Pursuant to the Board’s oral order given on February 8, 2018, during the Oral Hearing in consolidated matters IPR2017-0221, IPR2017-0222, and IPR2017-0225, Patent Owner hereby addresses whether the instant Petitioners’ involvement in both IPR2017-01427 and in IPR2017-0225 raises estoppel issues under 35 U.S.C. § 315(e)(1).

The answer is yes. Petitioners Facebook and WhatsApp (“Petitioners”) filed this IPR on May 11, 2017 and included grounds based on *Zydney* and *Appleman*, including a challenge to Claim 7 based on *Zydney + Clark + Appleman*. One month later, on June 16, 2017, Petitioners filed IPR2017-01634, requesting joinder to IPR2017-00225. In their joinder request, Petitioners chose to omit their grounds based on *Zydney* and *Appleman*, including their challenge to Claim 7.

**I. *Zydney* and *Appleman* are grounds the Petitioners could have raised.**

Upon entry of a final written decision in IPR2017-00225, Petitioners will be estopped by § 315(e)(1) from maintaining this IPR based on any grounds they could have raised in IPR2017-00225, including their grounds based on *Zydney* and *Appleman* and their challenge to Claim 7 (which is based on *Zydney + Clark + Appleman*). There is no doubt Petitioners were aware of these grounds when they requested joinder because they were raised in this IPR *before* the joinder request.

Further, Petitioners were not prevented from raising these grounds in the ‘225 IPR by the fact that they were joining as mere understudies. The PTAB recently

addressed this issue under nearly identical circumstances in *Apple Inc. v. Papst Licensing GmbH & Co., Kg*, IPR2016-01860, 2018 WL 357346, at \*2–3 (Patent Tr. & App. Bd. Jan. 10, 2018). In *Apple*, like here, petitioner filed a joinder IPR petition (IPR2017-00679) after filing its own IPR petition (IPR2016–01860) (the “Apple IPR”). Like here, petitioner omitted from its joinder petition grounds and claims<sup>1</sup> that it had previously raised in the Apple IPR. Like here, the PTAB instituted both IPRs, instituting in the Apple IPR grounds and claims that were not raised or instituted in the joinder IPR. *Id.*

After a final written decision in the joinder IPR, the PTAB found petitioner was estopped from continuing to maintain the Apple IPR based on the Pucci grounds because those grounds could have been raised in the joinder IPR, as evidenced by the fact that Apple raised them in its own petition months before requesting joinder. *Id.* The PTAB terminated the Apple IPR (which included 13 claims that were not instituted in the joinder IPR) because it was estopped by the joinder IPR. *Id.*

In *Apple*, the PTAB rejected Apple’s argument that “it could not have raised the Pucci grounds in the Joinder IPRs because trial had been instituted already in those proceedings,” stating:

This is not a fact relevant to our inquiry. We focus on whether Apple

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<sup>1</sup> There are 13 claims (7, 9, 17, 19, 21, 26, 41, 56-57, 66-67, 78-79) that were raised and instituted in the Apple IPR that were not raised or instituted in the joinder IPR. Compare Apple IPR petition and trial instituted document (IPR2016–01860, paper 2 at 1; paper 10 at 2) to the Apple joinder IPR petition and trial instituted document (IPR2017-00679, paper 1 at 0, paper 11 at 2). All of the 13 claims Apple omitted from its joinder IPR were based at least in part on Pucci, the ground the PTAB determined Apple was estopped from asserting in the Apple IPR.

did raise or reasonably could have raised the Pucci grounds when it filed the ‘670 and ‘679 petitions and requested joinder. Apple chose not to include any ground based on Pucci in these petitions, but rather to file petitions identical to those for which trial was instituted in the Joinder IPRs. We recognize that what Apple chose to do served to increase the likelihood that the Board would grant the joinder request. **A petitioner, however, is not required to join another petitioner’s case. Nor is a petitioner required to request joinder only as to those grounds previously instituted. Thus, the choice of what ground to raise or not to raise is that of the petitioner.** And for purposes of our inquiry regarding what constitutes grounds that could have been raised, it does not matter whether the Board would have instituted on those grounds had they been presented in connection with a joinder request.

*Id.* at 2 (emphasis added) (internal quotes omitted). The Eastern District of Texas recently reached the same conclusion under similar circumstances, stating:

The fact that HP sought joinder with Avaya’s IPR does not mean that HP could not have reasonably raised different grounds from those raised by Avaya, and whether to join an IPR and assert identical or different prior art—with the associated estoppel ramifications—was a decision for HP to make.

*Network-1 Techs., Inc. v. Alcatel-Lucent USA, Inc.*, 6:11-CV-00492-RWS, 2017 WL 4856473, at \*1 (E.D. Tex. Oct. 27, 2017).

Here, as in *Network-1* and *Apple*, Petitioners were not required to join the ‘225 IPR and were not required to request joinder only as to those grounds already raised in the ‘225 Petition. Petitioners reasonably could have raised *Zydney* and *Appleman* and reasonably could have included their challenge to Claim 7 (as they had done only a month before filing their joinder petition) but chose not to. Upon entry of a final written decision in the ‘225 IPR, Petitioners will be estopped from maintaining

this IPR based on grounds they chose not to raise in the ‘225 IPR, including their grounds based on *Zydney* and *Appleman* and their challenge to Claim 7.

## II. The *Shaw/Westlake* exception does not apply here.

One exception to estoppel under § 315 is that estoppel does not apply to non-instituted grounds or claims where the earlier IPR petitioner raised those grounds or claims but institution was denied as to those grounds or claims. *See Shaw Indus. Group, Inc. v. Automated Creel Sys., Inc.*, 817 F.3d 1293, 1300 (Fed. Cir. 2016) (finding estoppel did not apply to non-instituted grounds where those grounds were raised in the earlier petition but institution on them was denied); *Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1051-52 (Fed. Cir. 2017) (finding estoppel did not apply to non-instituted claims where those claims were raised in the earlier petition but institution was denied as to those claims).

That exception is inapplicable here (just as it was in *Apple* and *Network-1*) because the PTAB did not decline to institute IPR on *Zydney* and *Appleman* or on Claim 7. Rather, Petitioners chose to omit them from their joinder petition only a month after including them in this IPR petition.

While some courts have erroneously applied *Shaw* to find that estoppel cannot apply to any grounds not included in the IPR petition, these decisions have been roundly and persuasively criticized because it “undermines the purported efficiency of IPR,” making IPR “an additional step in the process” and “not an alternative to

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